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APRIL 18, 1966

AGRICULTURE IN EASTERN EUROPE DURING 1965

JAPAN'S SUPERMARKETS

FARM EXPORTERS LOOK FOR MARKETS OUTSIDE EUROPE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Well-stocked, modern supermarkets such as this one are becoming a familiar part of the Japanese retail scene. See page 6 for article on expansion in Japan's supermarket industry.

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How Agriculture Fared in Eastern Europe During 1965

Heavy spring rains in some areas, prolonged drought in others, limited agricultural output in much of Eastern Europe last year.

Agricultural production in Eastern Europe as a whole failed to advance last year, as crop-damaging weather once again swept the region. This marked a rather disappointing end to a series of overly optimistic and unreached 5-year plans and a beginning of more realistic economic planning. It also made necessary further large imports of grain from the Western world—a trade which the Soviet Union and Eastern Europe have been trying to eliminate ever since it began in bulk in 1963.

Through the first half of 1965, the nations of Eastern Europe—Poland, East Germany, Czechoslovakia, Hungary, Romania, Bulgaria, and Yugoslavia—appeared headed for an exceptionally good agricultural production year. Almost without exception, they had enjoyed good-to-record winter crops of the all-important grains and oilseeds, further expansion in their livestock industries, and growth in other areas of agriculture.

At mid-season, however, weather took an abrupt turn for the worse. Heavy rains and floods hit virtually all of Eastern Europe, only to be followed by drought through the summer and fall in the Danubian countries and more heavy rains in East Germany and Czechoslovakia. The end result was a feed grain supply generally below 1964's and lower production of spring-sown wheat, oilseeds, potatoes, and sugarbeets. Largest declines took place in Czechoslovakia and Yugoslavia, while Poland and Romania came through with surprisingly good crops.

For all of these countries, 1965 was the last year of a generally disappointing economic plan period characterized by too optimistic production goals and not enough investment in agriculture. The lack of "results," however, has spurred a policy shift in the new plans of each, with emphasis now on more inputs of capital, machinery, and fertilizer; higher farm incomes; and changes in agricultural management and in planning and purchasing of farm products. Also, those countries of Eastern Europe that are not fully collectivized—Poland and Yugoslavia—are no longer so intent on socializing remaining private sectors of agriculture, but for the present are working within the structure of existing farm organizations.

In the meantime, these countries and the USSR are having to call upon Western nations for more grain imports —over 12 million metric tons thus far in fiscal 1966. The United States alone has shipped Eastern Europe over 900,000 metric tons each of feed grains and wheat.

POLAND

Poland—whose agriculture is least socialized of the East European nations—last year escaped much of the damaging weather for a record farm production, 3 percent over 1964's and slightly above the 1961 high.

Virtually all of the increase came in grains, oilseeds, and livestock. Higher yields, especially in wheat, accounted for a grain production rise of 2 million tons to 16 million. Further acreage increases and lack of winterkill brought rapeseed production to 480,000 tons, almost five times the 1957-59 average. Expanded production of pork pulled total meat production up 8.5 percent; output of milk and eggs also rose.

Root crops, on the other hand, were affected by the cool, rainy weather of the spring and summer, as planting was delayed and growth retarded. Total 1965 output of these fell, as did that of many vegetables, fruits, and sugarbeets.

Looking ahead, Poland's new 5-year plan (1966-70) calls for a 14-15 percent increase in farm production compared with the 22 percent set forth but never realized in the previous plan. Emphasis is now being placed on crop production, to rise 17 percent compared with livestock's 11 percent, and on grain production in particular.

In world trade, Poland will continue to expand farm exports—which include fruits, hides, livestock and meat, potatoes, sugar, and tobacco—but hopes to greatly subordinate these to exports of nonagricultural products. It also has as a major goal the cessation of grain imports, which in recent years have come largely from the United States. In fact, many of its other farm product imports—over $127 million worth in 1964—have also come from the United States, among them cotton, tallow, soybean and cottonseed oil, butter, and soybeans, mainly under Public Law 480.

EAST GERMANY

Agricultural production in East Germany last year continued to inch forward, rising to a level only 3 percent above the 1957-59 average. All of the growth was in livestock production, as crops were generally hurt by heavy rains during the latter part of the year.

Total grain production fell some 4 percent from 1964; most of the decline was in rye, barley, and feed grains. Potato output was off only slightly, though quality of the crop is believed to be poor and losses may have occurred during storage. Sugarbeet output was likewise off.

Further progress in the livestock industry helped continue the nation's shift from the grain economy of prewar years to a grain-livestock economy. Both meat and egg production set new records, and milk production almost reached the record 1960 output. Wool production also rose.

These changes in livestock production have made it possible for East Germany to fill a wider variety of its own food needs, though 25 percent of its imports are food commodities.

The farm organization here is dominated by state and collective farms, with 94 percent of the total farmland. Many of these, however, are not as tightly controlled as others, and there appears to be a relaxation in the push to make them so. The government instead seems more interested in improving the performance of its existing farm organization, especially in view of the unimpressive results of recent years.

CZECHOSLOVAKIA

Weather destruction last year was at its worst in Czechoslovakia, dealing that country its second straight agricultural setback. Heavy rains and flooding delayed harvesting 3 to 5 weeks, caused extensive lodging, and led to a 9-percent drop in food crop production from the low 1964 level.

Among the grains, wheat output was better than in any previous year except 1964 because of larger acreage, but output of rye, oats, and corn was down from 1964 and that of barley was the lowest since 1958.

Except for rapeseed, production of other commodities was down sharply. The potato crop was a virtual failure, plummeting from 7.6 million tons in 1964 to 4.5 million, or the lowest production in recent Czech history. Sugarbeet production dropped some 1.5 million tons to its lowest level since 1959, and large declines occurred in most fruits and vegetables.

Output of livestock products did rise, some 4 percent, but the increase must be attributed to heavy slaughter brought on by poor feed conditions—a situation which will continue bad through this spring.

To induce better balanced agricultural growth, the Czech Government in 1964 and 1965 increased procurement prices on several agricultural products and reduced prices on less essential items. Among those farm products being encouraged are cattle, wool, milk, corn, beans, mixed feeds, and wheat. Grains especially have been favored—most recently by an increase in 1966 prices for hard wheat and malting barley and an additional incentive for farmers who devote 40 to 60 percent of their land to grain.

In its new plan covering the remainder of this decade, Czechoslovakia is taking steps similar to those of Poland and West Germany to expand and strengthen agriculture.

HUNGARY

Hungary, dependent upon agriculture for about 20 percent of its export earnings, also suffered widespread crop damage, ending the season with a farm production that was unchanged from 1964. Furthermore, livestock herds were reduced sharply as a result of inadequate feed supplies and an outbreak of foot-and-mouth disease.

Total crop production fell 2 percent. Heavy rains and flooding, which began in the fall of 1964 and continued through the summer of 1965, prevented planting of some 333,450 acres to spring crops and kept another 86,450 planted acres from germinating. In addition, the cool rainy weather retarded growth of many crops and facilitated the spread of weeds and plant diseases.

Yields of most winter grains were high, despite the unfavorable weather. Wheat production rose to another record high, and barley and rye likewise did well. Production of corn—the main feed grain and a spring-sown crop—was off sharply to a level below the 1957-59 average, and that of oats was also down.

Heavy losses occurred in fruit and grapes; vegetable output was off from the poor showing of 1964 and from the 1957-59 level; and potatoes dropped some 10 percent from 1957-59. Sunflowerseed, tobacco, and sugarbeets also fell.

Total meat production rose some 6 percent from 1964 but this was at the expense of herds, as heavy slaughtering cut cattle numbers by about 30,000 head, cows by 8,000, and hogs by 500,000.

The nation's 1966-70 plan has not yet been released; however, it is expected the nation will incorporate much the same measures as the other East European nations. Already it has taken steps to stimulate farmer incentive, allowing more planning and control at the collective-farm level and less by government procurement agencies.

ROMANIA

A bright spot in this generally bleak picture was agricultural production in Romania, which rose 4 percent from the 1964 level and 21 percent from the 1957-59 average. Unlike most other East European nations, Romania experienced the bulk of its short-term agricultural growth in crops—up 7 percent from 1964.

Weather conditions were exceptionally favorable for winter-sown crops but turned bad around mid-year as drought set in over much of the area. Corn—the country's major grain—suffered the brunt of drought damage, as its production fell sharply. Offsetting that drop, however, was a 40-percent rise in small grains including a record wheat crop—55 percent above the 1957-59 average. Production of other grains changed little from 1964.

Vegetables, including potatoes, fared quite well, as did most fruits. Sugarbeets and sunflowerseeds were off sharply from the high levels of 1964.

Production of most livestock products rose between 1964 and 1965 and was well above the 1957-59 average. Herd-building of cattle—numbers of which had been reduced sharply in the early 1960's—continued; hog numbers probably fell slightly from the 1964 level, because of the corn shortage.

Romania, which depends on agriculture for substantial export earnings, has announced a major new agricultural plan for 1966-70 containing many policy changes. One is increased purchase prices for several farm commodities; these include a 23-percent rise for milk, 25-33 percent for potatoes, 16 percent for fat hogs, and 44 percent for wine grapes. State investment in agriculture is to rise 60 percent from the 1960-65 level.

Though collective farms dominate Romanian agriculture, the government in its new plan has approved ownership of private household plots and is attempting to make land available to collective farm members who do not have such plots, restricting plot size of these plots to about 2/5 acre.

BULGARIA

Bulgaria experienced only slight growth in its agriculture between 1964 and 1965. All of the gain was in livestock, up 1 percent, while crop output was down slightly.

Weather conditions, much the same as in Romania, contributed to lower production of oats and corn. Here again winter wheat and barley escaped drought damage, as wheat production soared 45 percent above the low 1964 level and 24 percent above the 1957-59 average.

Most of the other crops declined: Cotton production was off 14 percent from the 1964 level; tobacco, 22 percent; and sugarbeets, more than 36 percent. Bucking the trend of declines in fruit, grape output jumped sharply as the result of previous expansion in vineyard area.

Output of livestock products rose slightly, with the sharpest increase in pork. Cattle and poultry numbers changed little, but hog numbers rose nearly 25 percent.

No. 1 goal of this nation's new farm plan is to expand production of grain, at the expense of recently favored industrial crops, fruits, and vegetables. The country is striving to eliminate grain imports entirely, but because of the poor 1965 feed grain crop, it will have to look beyond 1966 for any appreciable progress in this effort.

Another policy change is the government's attempt to utilize more fully production from private plots and farms, which account for about 12-14 percent of total land ownership. Reflecting this change, purchases of eggs from household plots during the last half of 1965 were almost as great as from state and collective farms, and purchases of poultry, wool, and oilseeds were also large.

YUGOSLAVIA

Yugoslavia, the only other East European nation that traditionally imports substantial quantities of U.S. farm products, suffered from a prolonged drought and ended 1965 with farm production 7 percent below 1964's.

Despite good yields, wheat production declined 7 percent from 1964; corn output fell 1.1 million tons to 5.9 million but was still better than any corn crop except 1964's; rye also fell. Further expansion in area helped boost production of barley and oats, while reduced area accounted for declines in sugarbeets and tobacco. Apple production dropped about 30 percent; pears plunged 50 percent; and plums and hops were also sharply lower.

Livestock's contribution to agriculture was up somewhat as a result of production gains in all types of meat except mutton and goat. There was also growth in cattle numbers, at least during the first part of the year; cattle are currently being favored because of strong export demand for live cattle and beef.

Agricultural policy in Yugoslavia is in some respects similar to that of Poland. It is directed toward gradual improvement and expansion in the small socialized sector, which accounts for only 3.2 million acres of the total cultivated area of 25.4 million. This change is to come through the collective farms' "superior performance" rather than through forced changes, although various restrictions have been placed on private agriculture—such as the limitation of a private farmer's holdings to 25 acres. Guaranteed minimum prices have been established for several commodities—among them grain and livestock—and other production incentives and added capital inputs are being put into effect.

As in Poland, effectiveness of this farm policy is highly important to the nation's economy—dependent upon agriculture for more than 27 percent of national income, for support of half the working population, and for 20 percent of all export earnings. Among the larger exports are slaughter cattle, meat, tobacco, fruits, and wine.

The rise in these export items, however, has been at the expense of grain—once an export, now an import. Many of Yugoslavia's wheat and feed grain imports along with those of cotton and oilseeds are coming from the United States, which supplies about 40 percent of the country's farm imports, mainly under P.L. 480.

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Larger U.S. Import Quota for Cheddar Cheese Announced

The U.S. import quota for Cheddar cheese has been increased by 926,000 pounds for the remainder of fiscal 1966. Furthermore, President Johnson has directed the Tariff Commission to study and report on the advisability of higher import quotas for an extended period.

The quota increase raises the 1965-66 quota from 2,780,000 pounds to 3,706,800.

The Tariff Commission is due to report by June 1 on the advisability of increasing 1966-67 Cheddar imports by as much as 5,560,000 pounds over the present quota. The Commission has also been directed to report on the feasibility of an additional increase of 1,225,000 pounds to apply only to aged Cheddar, most of which in recent years has come from Canada. If both increases are put into effect, the total U.S. import quota for 1966-67 will be 9,565,000 pounds—less than 1 percent of the Cheddar consumed annually in the United States.

The quota increase and study were authorized in response to the decline in U.S. milk production and the corresponding rise in cheese prices in recent months. They aim to help alleviate the imbalance in supplies of manufacturing milk that has developed as cheese and butter manufacturers compete for existing supplies.

Strong demand for cheese is diverting milk from butter production, and many small creameries face disaster from the resulting cost-price squeeze. The consequent increase in butter prices threatens to diminish the market for butter, which, in the long run, would injure dairy farmers who produce mainly for butter manufacturers.

In fiscal 1964-65, the United States imported 2,667,227 pounds of Cheddar. Chief sources were New Zealand, with 2,125,317 pounds, and Canada, with 533,843.

East Europe Imports More U.S. Feed Grains

Weather damage to feed grain and other fodder crops has forced several East European nations to make large imports of U.S. grain. Following is a summary of that area's feed grain imports in July 1965-April 1966, based on export licenses issued by the U.S. Department of Commerce and in metric tons:

	Corn	*Sorghum*	*Barley*	*Total*
Czechoslovakia	175,566	357,701	53,092	586,359
E. Germany	247,409	69,625	—	317,034
Bulgaria	—	10,160	—	10,160
Hungary	5,558	20,320	—	25,878
Total	428,533	457,806	53,092	939,431

By comparison, total U.S. feed grain exports to that area in all of fiscal years 1965 and 1964 were 204,448 and 691,519 tons respectively. Shipments to Czechoslovakia were 28 and 28,675 tons respectively; to East Germany, 34,796 and 95,685; to Hungary, 14 and 116,954. Bulgaria took no U.S. feed grains in those years.

Japan's Supermarkets Getting Bigger and Better

By JAMES C. FRINK
Assistant U.S. Agricultural Attaché, Tokyo

The small- and medium-sized firms that once dominated Japan's supermarket trade are giving way to larger, more efficient, and more financially secure enterprises, as self-service retailing continues to spread throughout Japan. This expansion—paralleling evolution of the older U.S. and European industries—is serving to accelerate growth in the country's imports of processed foods.

Retail stores enter trade

Typical of the recent entries into the Japanese supermarket business are the major department stores, which just a few years ago were big competitors of supermarkets and major stumbling blocks to their expansion. Many of these are building up supermarket chains of 20 to 30 stores each—an innovation to this country where the average supermarket owner still has only two stores.

In addition, a private railroad company owns a 20-store chain in the Tokyo-Yokohama area, and a couple of large U.S. firms have been investigating market possibilities. Simultaneously with the growth in penetration of supermarket retailing by the larger companies, many pioneers in the trade have been forced out of business because of the added competition, lack of sufficiently skilled help, poor management, and inadequate capital.

These developments, though unfortunate for the small businessman, have set a firm base for extension of self-service retailing, which began only a little over a decade ago, in 1953, with the establishment of a supermarket in Tokyo.

It was not until 3 years later that other supermarkets—and then only six—were built and it took around 6 more years for widespread growth to begin. At that time—in 1962—several large Japanese trading firms began to finance and organize supermarkets, launching the supermarket chain operation. The usual method utilized by these companies was to enter into an arrangement with some firm already in the retail business, establishing a new jointly owned firm to operate the supermarkets.

Rapid expansion continued until 1965 when a wave of bankruptcies hit small owners of supermarkets. Rather than greatly dampening expansion, these business failures prompted more careful planning among companies just entering the business—by then mainly large-scale firms—and improved supermarket financing by banking institutions.

By 1965, Japanese supermarkets had expanded in number to 800, though half of these were still in the Tokyo-Osaka metropolitan areas and most were small by U.S. standards: The average size of the typical Japanese supermarket was around 5,000 square feet of sales area; gross sales were $400,000 annually; customers, 500 per day; and average sales, 44 to 70 cents per customer.

Also, consumer resistance to supermarket buying—which greatly retarded initial expansion—had been reduced.

Traditional Japanese grocery suppliers are the small specialty stores and open markets such as this one.

Other suppliers are the downtown department stores, many of which have large, up-to-date food sections.

In the past, the typical customer bought only small quantities of food daily from small neighborhood shops, preferred fresh produce to frozen, and called upon delivery services whenever possible. He was pretty much held to this pattern by lack of mobility; privately owned vehicles were few; public transportation was often inconvenient.

Today, increases in consumer mobility and in suburban-area locations of supermarkets have enabled the Japanese consumers to compromise somewhat in their buying habits. Further, these consumers have been attracted by such supermarket features as lower prices than available at smaller stores and much wider selections—including different brands of the same items plus imported foods.

Owners of supermarkets and prospective owners have naturally been encouraged by these changes, as well as by the availability of better locations near railway and subway stations and at newly established thoroughfares. They are also gradually being favored by alterations in the marketing setup from the traditional pattern of buying through wholesalers to direct buying from processors and producers; this change is bringing the operating costs down.

The government too has helped encourage expansion by its efforts to improve the Japanese food-distribution system. Toward this end, it has in progress several studies of the marketing setup, giving special emphasis to means of providing necessary credit to both consumers and distributors on a sound basis.

A subcommittee of one government-sponsored group recently visited the United States to study ways of modernizing distribution-channel facilities—including processing and storage for cold and frozen foods.

Large import trade

Standing to benefit from Japan's supermarket expansion is the U.S. processed food trade, which even now sends Japan some $20 million worth of foods annually. A big portion of that trade is finding its way into Japanese supermarkets, especially those catering to high-income families and foreign communities. In some cases, supermarkets are even buying U.S. items on the restricted import list in limited quantities under "basket" allocations.

Supermarkets in this article mean self-service stores with foodstuffs constituting 50 percent or more of their sales and having a total sales volume of $300,000 or more.

Above, exteriors of two Japanese supermarkets. This type store—much smaller in size than those in the U.S.—has just now begun attracting large Japanese firms, including department stores—traditional competitors.

At right, Japanese homemakers wait their turn in supermarket checkout lines. A drawing card of such stores is their wide selection of imported food items, many of which come from the United States.

World Egg Production Rises But Trade Continues To Fall Off

Reports from 38 countries indicate that world production of eggs, at about 235 billion, increased again in 1965. However, international trade in eggs and egg products continued its downward trend.

Output in the United States, the world's largest producer, remained fairly stable while U.K. production was down slightly. Japan, another major producer, recorded an increase of about 15 percent over 1964. In Denmark and the Netherlands, traditionally the major egg exporters, production continued the downward trend in evidence for several years.

World trade in eggs has been declining steadily each year from its peak level of 1961. Main cause of this reduction has been increasing self-sufficiency in most of the Western European countries which were once major markets. Despite rising per capita consumption, West Germany —formerly the world's largest market for eggs and egg products—is nearing self-sufficiency in table eggs and has drastically reduced its import requirements for egg products. The four top importers in Western Europe—West Germany, Italy, Switzerland, and Austria—have increased their combined output about 40 percent since 1960.

The U.S. egg picture

Production in the United States in 1965 totaled about 5.4 million dozen, the same as in 1964 and 2 percent above 1963. The number of layers was down slightly, indicating a higher rate of lay for existing flocks. Although production may be higher in 1966, little or no increase seems likely.

Total U.S. exports of shell eggs and egg products last year were valued at $11.7 million, compared with $12.8 million in 1964 and $17.6 million in 1963. The import restrictions of the European Economic Community are having a two-fold effect on U.S. egg exports: domestic production is increasing in EEC countries, and U.S. eggs and egg products are having difficulty competing in the face of high protective levies.

U.S. exports of table eggs picked up considerably in late 1965 because of a temporary shortage which developed around the holiday season in Western Europe and Canada. Nearly 75 percent of the year's total of 6.3 million dozen moved in the final quarter. Exports in 1964 were only 1.7 million.

A good market for table eggs is likely to continue into 1966 until production in Western Europe catches up with demand. In the future, it appears that the United States will be a marginal supplier of table eggs, having a sizable export market only when temporary shortages arise as they did in 1965.

Dried yolk, hatching eggs

The increase in exports of table eggs to some extent forestalled an even greater decline in the total U.S. egg export picture, as shipments of the major export item, dried eggs, dropped to about 2.6 million pounds from about 3.2 million in 1964. West Germany, despite higher production, is still the largest market for U.S. dried yolk.

The specialty market for U.S. hatching eggs can be expected to continue at around the 1965 level. Shipments last year totaled approximately 7.5 million dozen, compared with about 7 million in 1964. Major markets in 1965 were Canada, with about 3 million dozen, and Venezuela, which took about 1.7 million dozen.

World Bean Trade Down as Supplies of White Beans Decline

Bean production in the Free World was down 4 percent last year as the United States, Western Europe, and Eastern Europe—the main international traders—faced severe shortages of white beans. However, supplies of colored beans in North and South America were considerably above normal.

Since the bulk of international trade is in the white classes, trade will be curtailed in the current marketing year (September-August). Largest exporters are the United States, Eastern Europe, Africa, and Chile, while Western Europe and the United Kingdom import large quantities.

The white bean shortage has also resulted in sharp price increases. For example, U.S. Great Northern beans were quoted as high as $10.65 per hundredweight in mid-March 1966, compared with $10.60 in January 1966 and $8.05 in January 1965. Navy beans were quoted at $10.60—the same as in January but $2.25 higher than in January 1965.

U.S. bean production in 1965 was 16,501,000 bags as against 17,789,000 in 1964 and 20,612,000 in 1963. The world's largest producers, Brazil and Mexico, have greatly increased their output in recent years and produced about 40.8 million and 19.9 million bags, respectively, last year. However, almost the entire crop in these two countries consists of colored beans that are consumed domestically.

Exports from the United States in the first 5 months of the 1965-66 marketing year totaled 1,265,000 bags, down sharply from most previous years because a sizable part of the crop was lost in stormy weather last fall. A good portion of these exports came from old-crop carryover stocks. Exports for the entire 1964-65 marketing year were 3,258,000 bags.

U.S. exports are shifting away from the colored beans preferred by Latin America to the white ones preferred by Europeans. Whereas about 40 percent of U.S. bean exports were white in 1955-59, the portion increased to 62 percent in 1964-65. The shift was caused by the halt in exports to Cuba and Mexico. Cuba for many years and Mexico for several were the largest foreign markets for U.S. beans, especially colored classes.

Declining exports of white beans from Eastern Europe into Western Europe are encouraging expansion of U.S. production and exports. Expansion of U.S. white bean exports depends greatly upon development of the canning industry in the EEC countries, where some U.S. firms have recently set up canning facilities. Canning of beans in the United Kingdom has helped increase U.S. sales there by about 750,000 bags in the past 10 years.

U.S. agricultural attachés report major U.S. farm competitors still concentrating heavily on Western Europe, but increasing efforts to build new markets.

Top Agricultural Exporters Step Up Promotion for 1966

Major U. S. competitors are stepping up promotion in world markets in 1966, according to U. S. agricultural attachés. Western Europe will continue to be the principal target, but new markets in North America and Asia will draw increasing fire.

Together New Zealand, Denmark, Australia, France, Canada, Netherlands, and South Africa will spend about $60 million to boost sales of such products as meat, grain, fruits, vegetables, dairy products, and wool.

New Zealand

New Zealand's primary concern this year, according to U. S. Agricultural Attaché W. Gordon Loveless, is finding new markets for lamb and mutton the United Kingdom cannot absorb. Strong efforts have already placed more meat in Continental, American, and East Asian outlets.

New Zealand's dairy producers also face problems in the big British market as the United Kingdom becomes increasingly more self-sufficient in dairy products and reduces its dairy import quotas.

This year New Zealand will promote its products at trade fairs and food shows in Rome, Stockholm, Paris, and the first Asian fair in Bangkok.

With good prospects for sales this year, wool promotion will continue strong under the Woolmark campaign begun in 1965. The New Zealand Wool Board contributed $6.9 million for promotion to the International Wool Secretariat last year and is expected to maintain the same level of support for 1966. IWS handles nearly all of New Zealand's domestic and foreign promotion through the Board in 19 offices around the world.

Denmark

Denmark is investing $10.7 million this year—only slightly more than in 1965—to promote its products in foreign markets, chiefly pork and dairy foods. Some market development funds will go for research, which is now concentrated on new transportation methods for bacon and butter.

In recent years, reports U. S. Agricultural Attaché Arthur M. Rollefson, Denmark has been shifting its promotion emphasis away from Germany and other EEC members for a bigger push in EFTA countries and several overseas markets. The growing Swiss market will continue to get intensive promotion, but the United Kingdom —still Denmark's best customer—will come in for heaviest campaigns.

Promotion is largely handled by Denmark's Market Promotion Bureau of the Agricultural Marketing Board through commodity export boards. Government and commodity groups share financing—$10 million this year.

Australia

Australia still puts more than half its promotion funds into cultivation of its traditional market the United Kingdom, but is now stepping up efforts to increase its share of markets in Japan, Southeast Asia (particularly Malaysia), Canada, the United States, Germany, Scandinavia, Italy, and South America.

Commodities expected to come in for major attention, says U. S. Agricultural Attaché William L. Rodman, are meat, wool, dairy foods, and wine.

Australia's market development is financed and managed jointly by the government and the marketing boards. Most products are promoted under the theme: "Buy Australian Sunshine Foods." The program aims at area saturation at the retail level, with as many stores as possible in a given area at a given time advertising Australian products, each campaign featuring a seasonal food item.

Australia's campaign for spring lamb will continue through television, radio, and press advertising, and promotion for canned fruit chiefly through national women's magazines, selected area advertising, and in-store campaigns. Australia's Dairy Produce Board is now actively marketing its butter through U.K. retailers under the label "Kangaroo Brand." Previously, the Board shipped butter in bulk to U.K. importers who packaged it and sold it under their own labels.

Australia's trade fair schedule for 1966 calls for participation in the Australian Trade Display in Rotterdam, the Indian Leather Fair in Madras, the Auckland Easter Show, Milan Trade Display, and the Osaka International Trade Fair.

France

France's most heavily promoted farm products this year will be meat, dairy products, vegetables, and wine, according to Assistant U. S. Agricultural Attaché Gerald W. Shelden.

French agricultural products are promoted in foreign and domestic markets almost entirely by SOPEXA (Société pour l'Expansion des Ventes des Produits Agricoles et Alimentaires). SOPEXA is a central promotion organization which coordinates and assists industry and producer groups to participate in foreign trade fairs, food fairs, and in-store promotions.

Funds used by SOPEXA are derived from taxes levied on agricultural producers and processors and made available by FORMA (Fonds d'Orientation et de Régularisation des Marchés Agricoles; see *Foreign Agriculture*, Mar. 1, 1965).

This year FORMA has allotted $900,000 to back food promotion which may be increased by producer organizations which want individual products more heavily promoted.

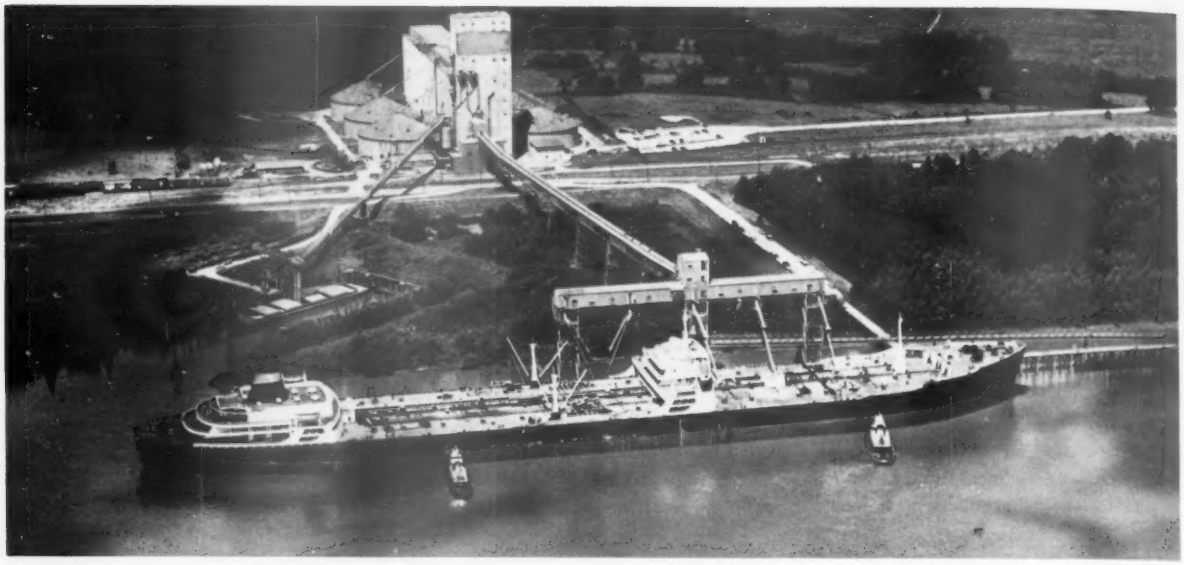
Some commodities are promoted through their own organization instead of FORMA.

Canada

U. S. Agricultural Attaché R. H. Roberts reports that Canada's 1966 promotional activities include a full schedule of trade visits—a highly popular promotion method with Canadians—and several trade fairs.

More than $1 million in promotion funds will finance the 1966 programs,

U.S. Supertanker Carries Record-Breaking Wheat Shipment to India



The *Manhattan* takes on wheat at a Continental Grain elevator near New Orleans.

The United States biggest tanker, the *Manhattan*, moves out into the Atlantic this week with some 72,500 tons of U.S. wheat destined for ports on India's east coast.

The *Manhattan*, a 940-foot-long vessel with a capacity of 105,000 tons of grain, is the largest ship ever employed for shipment of grain to India. The supertanker took on about 55,000 tons at a Continental Grain elevator in Texas last week and a final load at New Orleans.

Expected to arrive at east coast India ports about 29 days after departure from the United States, the voyage will cut nearly 10 days off the time required by the smaller vessels ordinarily used for shipping grain to east coast India.

Shipping grain to India aboard large U.S.-flag supertankers not only helps speed badly needed grain, but provides greater efficiency and economy.

The first big tanker was booked by the U.S. Department of Agriculture last January for delivery of 44,000 tons of World Food Program wheat to west coast India. Following this successful trial shipment, other bookings were made by the Government of India to move larger volumes of grain programed under Title I of Public Law 480.

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most of it from Canada's Department of Trade and Commerce and semi-governmental trade organizations.

Tentatively, $50,000 has been allocated by the Trade and Commerce Branch for missions to the Far East on seeds and grains, to Europe on seeds, and possibly two missions to Latin America for commodities as yet unspecified. Some $20,000 will be spent on incoming trade visits from Europe and Latin America on livestock, seeds, and seed potatoes.

The Saskatchewan Wheat Pool sent two delegates to India from February 17 to March 6 and Canadian Wheat Board members are scheduled to visit Japan and Southeast Asia.

Ontario is one of Canada's more active Provinces promoting for foreign markets. The Province is sending a food group to the United Kingdom this year and will exhibit in Glasgow, Manchester, and London.

The Netherlands

In 1966 the Netherlands—whose agricultural promotion budget increased 18 percent from last year's $4.08 million—will put a bigger emphasis on dairy products and poultry, while expenditures for ornamental products, potatoes, grains, seeds, and pulses will be about the same. Only promotion of eggs has been cut back because of the current short supply, according to Louis M. Smith, U. S. Agricultural Attaché at The Hague.

Dutch market development is financed almost entirely by Product Boards of the various commodities—$4.2 million this year—and by government and private funds.

About 70 percent of the $196,000 available from the Ministry of Agriculture this year will go for exhibitions, 25 percent for publicity and 5 percent for trade missions.

Another $434,000 in government funds will help send technical assistance to less-developed countries which buy Dutch breeding cattle and poultry, seeds, hatching eggs, and certain other products. In the belief that effective utilization influences future sales, the Dutch Government considers the program basically market development and covers from 50 to 75 percent of the cost.

South Africa

South Africa may be expected to substantially broaden its overseas promotion for mohair in 1966 and slightly increase funds backing fresh citrus fruits, according to Edward J. Bell, U. S. Agricultural Attaché.

South African products will be shown at a number of trade fairs this year, including ones in Australia, Japan, the Netherlands, the United Kingdom, and the United States.

British Favoring More Grain in Feed Rations Says Report From USFGC's Harrogate Meeting

The growing acceptance in Britain of higher utilization of grains in feed formulas was the most significant aspect noted by FAS grain specialist Edward F. Seeborg at the recent Conference on Feeding for Beef Production sponsored by the U.S. Feed Grains Council at Harrogate, England.

"This should lead to greater use of feed grains," he reported, "and assist in maintaining imports of U.S. feed grains."

The conference, which followed immediately after the winter meeting of the British Society of Animal Production, attracted some 270 of Britain's top people in the field of animal feeding, with almost all major commercial firms and research institutions represented. Dr. William H. Hale of the University of Arizona was featured U.S. speaker. Here is a report on the meeting.

Prospects for beef production in Britain, as assessed by speakers at the conference of farmers, scientists and feed compounders at Harrogate, contrasted sharply with the rather gloomy forecasts that have been made in some quarters. While no attempt was made to gloss over the problems of this branch of farming, the general picture that emerged was that of a beef industry with a real potential for expansion and in which research is opening up promising avenues for the reduction of costs.

Calf goal reachable

One of the most important points brought out was that if present trends continue, the number of additional calves available should be more than sufficient to meet the 1970 target of the National Plan, even without the substantial increase that is expected in supplies from the national dairy herd. This estimate was made by Arnold Barfield, director of Farm Intelligence Ltd., on the basis of facts and figures gathered in a nationwide survey and analysis of information from a number of official sources.

Nor would it be necessary to wait until 1970 for greater supplies of home-produced beef, he pointed out.

"In the last 2 years, five times as many extra calves were retained for fattening as in each of the immediately preceding years. These animals will be coming out fat very soon."

Purchasing power important

As a number of delegates emphasized, a big factor in the future of the beef industry will be the housewife's purchasing power. If there should be a fall in "real" earnings, or if beef prices should outstrip those for other kinds of meat, the outlook could be radically altered, unless export trade is developed.

Several speakers, however, envisaged marked savings in production costs through increased feeding of roughages—a subject on which a good deal of experimental work is being undertaken—and through the use of synthetic proteins such as urea. The conference heard with considerable interest of the latest work at Nottingham University School of Agriculture on the incorporation in rations for bullocks from the 10- to 11-month stage onwards of substantial quantities of ground barley straw in place of part of the maize allowance.

Milled barley straw tests

The feeding of barley straw in milled form, as part of a cubed or pelleted ration, seems to put a new complexion on the use of this material for beef cattle; certainly the Nottingham results are most impressive. Although he pointed out that further investigations were necessary before the system could be recommended for commercial conditions, Professor G. E. Lamming of Nottingham University quoted trials in which liveweight gains averaging up to just over 3 pounds a day have been obtained in groups of animals receiving a diet containing 30 percent of ground straw. Even on 50 percent straw, batches of cattle have averaged up to 2.76 pounds a day.

Moreover, Professor Lamming suggested that still better results would be possible from this kind of feeding as more became known about the relative contributions of roughages and cereals to the nutrition of cattle and of optimum balances of amino acids.

It was also interesting to hear from a speaker from Eire that in a country renowned for the quality of its pastures, intensive beef production techniques are attracting considerable attention. To provide further information on the possibilities of these methods, the Department of Farm Management of University College, Dublin, has carried out an experiment using rations based either on molassed sugarbeet pulp, ground barley, or ground maize. The result in terms of weight gains, concentrate consumption, and feed efficiency was distinctly in favor of maize.

U.S. Food Firms Call London Trade Center Show Success

Participating firms report that the American Specialty Foods Exhibition —held recently in the London Trade Center—was a success in terms of valuable contacts with U.K. buyers and of on-the-spot orders and sales.

Edward Sajous, executive secretary of the Association for the Specialty Foods Trade, commented that this first U. S. specialty foods show in Britain "established a beachhead which will help us take advantage of the considerable demand that undoubtedly exists in the United Kingdom for American specialty foods."

Mr. Sajous added, "The show itself came well up to our expectations. It was staged and promoted right in line with the quality image we are trying to convey about our products." American exhibitors seeking a foothold in the market, Mr. Sajous advised, should back their products with promotion support in the United Kingdom.

Edward Cunningham, representing Grocery Manufacturers of America, described the quality of buyers who came as "extremely good." He added, "I think that our people are very happy with the results."

A number of exhibiting companies which made sales and took orders at the show were enthusiastic about future business.

Chelten House Products of Philadelphia said, "It has been an excellent show. We have done about $1,400 worth of immediate business in dressings, sauces, and cocktail mixes. Orders have come in from delicatessen shops in Glasgow, Manchester, Leeds, Brighton, and other important centers."

G. B. Raffetto, Inc., New York, responsible for a number of exhibitors, said, "From our viewpoint, this show has been a success."

Thai Rice Export Prices Highest in 4 Years

Thailand's export prices for rice are the highest since May 1962. Following a higher than normal climb last October just before the main harvest of the 1965-66 crop, prices moderated slightly in January as the bulk of the crop began to arrive on the market.

By mid-February, however, rice prices again began to advance sharply. As of April 4, the price of 100 percent first-grade for April shipment was $7.41 per 100 pounds, compared with $7.10 on March 14 and $6.80 on February 14. The average price for the same grade on April 5, 1965, was $6.21 per 100 pounds.

Strong foreign demand for rice and moderately reduced supplies in exporting countries are mainly responsible for the price rise.

THAILAND'S AVERAGE RICE EXPORT PRICES, F.O.B. BANGKOK[1]

Date	White rice		White broken, A-1 super	Cargo,
	100-percent first-grade	10-percent broken		100-percent first-grade
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
1962:				
March	6.88	6.33	5.01	5.98
April	7.36	6.81	5.34	6.35
May	8.36	7.74	6.26	7.08
1963:				
March	6.92	6.22	4.78	5.56
April	6.78	6.07	4.69	5.54
1964:				
March	6.45	6.00	4.34	5.48
April	6.56	6.18	4.36	5.56
1965:				
March	6.32	5.88	4.12	5.28
April	6.18	5.76	3.94	5.21
1966:				
February 14	6.80	6.29	4.96	5.60
March 14	7.10	6.40	5.04	5.89
March 28	7.28	6.65	5.16	6.02
April 4	7.41	6.84	5.39	6.21

[1]Milled rice. Includes export premium, export tax, and cost of bags. Packed in bags of 100 kilograms (220.46 lb.) net.

U.S. Imports of Livestock Products Increase

U.S. imports of all livestock products, except duty-free wool and some types of hides and skins, increased for the first 2 months of 1966 as compared with the same period of 1965. This comparison, however, does not present a completely accurate picture, because of the extended dock strike on the U.S. east coast in the first 2 months of 1965.

U.S. meat imports for January and February 1966 totaled about 186 million pounds, an increase of 84 percent over the same period of 1965 when the U.S. east coast was involved in the long dock strike. Beef and veal imports, at 102.6 million pounds, were 76 percent above the corresponding period a year earlier.

U.S. wool imports for the first 2 months of 1966 were 25 percent above the corresponding period in 1965. Duty-free wool imports, however, were down about 30 percent from the preceding year.

Imports of cattle hides and calf and pig skins increased, while all other hide and skin imports declined.

U.S. imports of live cattle in the first 2 months of 1966 were about 100 percent greater than in the same period of 1965. High U.S. prices attracted increased numbers of feeder cattle from Canada and Mexico.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	February		Jan.-Feb.	
	1965	1966	1965	1966
Red meats:				
Beef and veal:				
Fresh & frozen:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Bone-in beef:				
Frozen	101	432	273	1,006
Fresh & chilled	620	2,461	1,255	3,711
Boneless beef	32,245	51,953	57,934	97,913
Cuts (prepared)	410	325	458	759
Veal	960	1,093	1,693	2,685
Canned beef & beef sausage	3,429	6,999	6,120	13,850
Prepared & preserved	1,402	1,130	1,921	2,710
Total beef & veal	39,167	64,393	69,654	122,634
Pork:				
Fresh & frozen	3,726	3,118	6,904	7,240
Canned:				
Hams & shoulders	14,048	18,925	17,453	35,917
Other	2,590	3,781	2,868	7,532
Cured:				
Hams & shoulders	130	128	232	242
Other	369	455	765	837
Sausage	123	97	177	269
Total pork	20,986	26,504	28,399	52,037
Mutton and goat	573	5,061	1,524	7,083
Lamb	476	1,264	502	2,962
Other sausage	378	290	917	788
Total red meat	61,580	97,512	100,996	185,504
Variety meats	81	340	250	839
Wool (clean basis):				
Dutiable	9,376	16,995	18,422	35,952
Duty-free	11,536	6,986	23,259	16,101
Total wool	20,912	23,981	41,681	52,053
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides & skins:				
Cattle	29	20	53	78
Calf	14	14	51	57
Kip	51	39	107	68
Buffalo	52	31	82	66
Sheep and lamb	3,250	2,627	4,280	3,630
Goat and kid	1,113	794	2,472	1,924
Horse	21	24	89	49
Pig	115	117	273	298
	Number	*Number*	*Number*	*Number*
Live cattle[1]	49,556	77,715	88,172	179,226

[1]Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

Canada Revises Its Dairy Program

A change in Canada's daily program, raising prices received by farmers, went into effect on April 1. Immediate results will be higher prices to consumers, greater government costs, and more export subsidies. The support operations aim to provide an average net return of Can$4 per hundred pounds of manufacturing milk with 3.5 percent butterfat content, f.o.b. plant.

The overall objective of the program is to encourage the expanded production of dairy products to meet rising demands. Stimulated by consumer subsidies, rising butter consumption has been eating into stocks for 2 years and threatening a need for imports in the months ahead. Cheese and dried milk prices have also been rising.

Under the plan, subsidies are oriented entirely toward

farmers to encourage them to stay in the business. Direct payments to farmers from the government will total 85 Canadian cents per hundred pounds of milk delivered to plants. However, 10 cents of this will be held back for export subsidy payments on Cheddar cheese, nonfat dry milk powder, and other dairy products sold in commercial export markets. Any of this amount not used during the year will later be included in payments to farmers.

Cost of the program to the Canadian Government has been estimated at Can$90 million.

Smaller Argentine Raisin and Currant Pack

Argentina's 1966 raisin and currant pack has been estimated at 3,500 short tons, compared with 3,900 tons in 1965. Although not separately classified, raisin production is estimated as down 10 percent from 1965 and currants as down 50 percent. The reduced pack is attributed to high production costs.

Exports are forecast to reflect the smaller pack and may total only 1,000 tons—down 300 tons from 1965. Approximately 90 percent of Argentina's 1965 exports went to Brazil and the remainder to Peru, Colombia, and Ecuador.

ARGENTINA'S SUPPLY AND DISTRIBUTION OF RAISINS AND CURRANTS

Item	1965[1]	1966[2]
	Short tons	*Short tons*
Supply:		
Beginning stocks (Jan. 1)	700	700
Production	3,900	3,500
Total supply	4,600	4,200
Distribution:		
Exports	1,300	1,000
Domestic disappearance	2,600	2,600
Ending stocks (Dec. 31)	700	600
Total distribution	4,600	4,200

[1]Revised. [2]Estimate.

Northbound Suez Canal Shipments in February

In February, northbound shipments of oil-bearing materials through the Suez Canal, at 147,834 metric tons, were 10,587 tons below January volume but 37 percent above shipments in February 1965. Increased movements of copra were partly offset by reduced soybean shipments.

Shipments of oil-bearing materials in the October-February 1965-66 period, at 645,977 tons, were slightly below the volume shipped in the corresponding period of 1964-65. Reduced movements of soybeans, peanuts, cottonseed, and flaxseed were largely offset by larger shipments of copra and sesame.

Shipments of soybeans in February, at 315,000 bushels, were markedly below the January volume. Aggregate shipments in the October-February period, at 1.5 million bushels, were 1.2 million bushels below the volume for the comparable period in 1964-65.

Cumulative shipments of vegetable oils through the canal in the October-February 1965-66 period were 195,790 tons, against 164,817 tons in October-February 1964-65. Shipments in February 1966 alone were 28,128 tons, compared with 26,046 tons in February 1965. Palm and cottonseed oils were above those in 1964-65, while shipments of coconut and tung oils declined.

Aggregate shipments of vegetable cakes and meals in the October-February period were 673,260 tons against 702,697 tons in the same period of 1964-65. The decline reflected reduced shipments of peanut cake and meal. However, those of copra and cottonseed meals rose substantially.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	February		Oct.-Feb.	
	1965	1966	1964-65	1965-66
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	25,108	8,571	74,518	40,367
Copra	37,282	82,958	346,696	402,841
Peanuts	18,983	21,267	75,538	69,216
Cottonseed	8,409	6,203	53,935	43,113
Flaxseed[2]	1,698	1,596	10,643	1,596
Castorbeans	2,222	3,438	16,178	16,717
Palm kernels	2,027	5,899	12,590	14,613
Sesame	2,385	4,987	13,362	24,665
Others	10,141	12,915	47,971	32,849
Total	108,255	147,834	651,431	645,977

[1]1 metric ton of soybeans equals 36.7 bu. [2]1 metric ton of flaxseed equals 39.4 bu.
Suez Canal Authority, Cairo, Egypt.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1961	1962	1963	1964	1965
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
January	2,907	622	661	212	1,058
February	548	451	590	923	315
March	627	255	233	1,692	—
October-December	919	12	19	1,604	110
January-March	4,082	1,328	1,484	2,826	—
April-June	239	573	706	1,376	—
July-September	327	1,585	4,106	1,562	—
October-September	5,567	3,498	6,315	7,368	—

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

Mexico May Export Safflowerseed

Mexico may export a substantial tonnage of safflowerseed this year. The 1966 crop, which will be harvested from April to early June, is estimated by the trade at 200,000 metric tons, compared with about 88,000 tons last year. Mexico has a crushing capacity for safflowerseed of only 150,000 tons.

The increase in production resulted from high prices of safflowerseed in 1965—about 2,100 pesos ($168) per metric ton—and government encouragement to farmers to plant safflowerseed instead of wheat. Most of this year's crop is grown in the State of Sinaloa where there is extensive irrigation.

For the 1966 crop, farmers want a price of 1,600 pesos ($128) per ton. Crushers want to pay 1,200 pesos ($96). Discussions are now underway, and the trade thinks the price may be compromised at about 1,400 pesos ($112). Farmers want CONASUPO, the government food regulating agency, to buy surplus production—about 50,000 tons—at the price that is finally set. However, if CONASUPO buys the surplus, it probably will not pay more than the world price—currently about 1,350 pesos ($108) per ton, average location.

Over the years Mexico has had the problem of a shortage of oilseed crops one year and a surplus the following year. Last year the oilseed situation was tight in Mexico, and CONASUPO imported some cottonseed and soybean

oils to alleviate the shortage from 1965 crops and keep domestic prices down.

Canadian Margarine and Shortening Output

Canada's margarine production in 1965 was 83,592 short tons, 5 percent less than in 1964. Soybean oil accounted for 49 percent of the 67,970 tons of fats and oils consumed in the industry, compared with 57 percent of the total in 1964. Use of "other" vegetable oils, including rapeseed oil, increased considerably, while that of palm oil and lard was up somewhat.

OILS AND FATS USED BY CANADIAN SHORTENING INDUSTRY

Oil or fat[1]	1962	1963	1964	1965[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*
Vegetable oils:				
Coconut	1,119	1,174	1,330	1,295
Cottonseed	3,724	3,632	4,603	6,069
Palm	[3]9,516	6,455	4,926	4,707
Soybeans	26,090	27,662	31,298	29,843
Other	10,576	[3]12,196	[3]11,830	[3]12,851
Total	51,025	51,119	53,987	54,765
Marine fats and oils	10,776	11,428	6,743	7,363
Animal fats and oils:				
Lard	12,184	11,603	13,599	11,768
Edible tallow	15,208	16,661	21,407	21,174
Other	1,611	1,468	640	618
Total	29,003	29,732	35,646	33,560
Grand total	90,804	92,279	96,376	95,688

[1]All figures are on a refined-oil basis. [2]Preliminary. [3]Includes palm-kernel oil.

Dominion Bureau of Statistics, Oils and Fats, Ottawa.

Production of shortening, at 69,917 tons, was slightly larger than in 1964. A decline in the use of soybean oil and animal fats was more than offset by use of larger quantities of marine oils, cottonseed oil, and "other" vegetable oils.

OILS AND FATS USED BY CANADIAN MARGARINE INDUSTRY

Oil or fat[1]	1962	1963	1964	1965[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*
Vegetable oils:				
Coconut	6,676	1,772	411	168
Cottonseed	1,558	1,420	1,790	1,790
Palm	[3]6,620	3,089	2,832	3,200
Soybean	27,596	23,466	40,534	33,598
Other	5,907	[3]6,326	[3]7,540	[3]10,250
Total	48,358	36,072	53,108	49,006
Marine fats and oils	24,146	32,278	14,866	15,013
Animal fats and oils:				
Lard	3,735	867	2,976	3,951
Other	23	5	10	—
Total	3,758	872	2,986	3,951
Grand total	76,262	69,222	70,961	67,970

[1]All figures are on a refined-oil basis. [2]Preliminary. [3]Includes palm-kernel oil.

Dominion Bureau of Statistics, Oils and Fats, Ottawa.

Rhodesia Expects Smaller Tobacco Harvest

Unofficial estimates now place the 1966 tobacco harvest in Rhodesia at 206.7 million pounds, compared with 240.1 million last season. Despite early drought conditions reducing yields per acre, fragmentary information indicates that harvested acreage almost equals the 1965 figure of 218,700 acres.

The 1966 flue-cured harvest is unofficially placed at 200 million pounds from almost 210,000 acres, compared with a 1965 harvest of 232.8 million from 211,100 acres. Production of burley is expected to approximate the 1965 level of 5.6 million pounds. The harvest of oriental tobaccos is not expected to exceed 1.2 million pounds—about 30 percent below last season's sales of 1.7 million.

Ontario's 1966 Flue-cured Acreage Announced

The Ontario Flue-Cured Tobacco Growers Marketing Board on March 25 voted to cut 1966 tobacco acreage in Ontario, Canada, by 17.5 percent of the basic marketable acreage quota, after allowing a 3-acre exemption on each farm.

Officially, the acreage decision was designed to produce a record crop ranging from 210 million to 230 million pounds, with an anticipated yield ranging from 1,700 to 1,850 pounds per acre.

Quota acreage for the 1966 crop is estimated at 128,200 acres, or 43 percent larger than the 1965 quota figure of 89,656 acres. Actual plantings this season are expected to set a new high of about 124,000 acres, compared with 86,877 acres a year earlier.

The crop forecast is about 43 percent above 1965-crop sales of 154 million pounds and about 20 million pounds above the previous record crop of 199 million in 1960.

ONTARIO'S FLUE-CURED ACREAGE

Year	Basic marketable acreage	Allotment	Quota acreage[1]	Actual plantings
	Acres	*Percent*	*Acres*	*Acres*
1957	131,000	100.0	131,000	117,885
1958	142,957	85.0	125,087	117,672
1959	149,039	75.0	117,600	111,274
1960	150,145	85.0	131,638	123,816
1961	151,370	80.0	126,449	122,287
1962	152,186	75.0	120,831	116,571
1963	152,356	60.0	102,245	99,537
1964	152,443	45.0	76,267	73,479
1965	152,457	55.0	89,656	86,877
1966	[2]152,500	82.5	[2]128,200	[3]124,000

[1]Includes 6-acre exemption on each farm for 1957 thru 1963 and a 3-acre exemption on each farm beginning with 1964 and for subsequent years. [2]Preliminary; subject to revision. [3]Forecast.

India's Exports of Flue-cured Tobacco Drop

India's exports of flue-cured tobacco in 1965 fell to 115 million pounds from the record 136 million shipped out in 1964. The average export price per pound in 1965 was equivalent to 35 U.S. cents, compared with 31 cents the previous year.

In 1965, the United Kingdom and the Soviet Union were the largest markets for Indian flue-cured. U.K. purchases totaled about 33 million pounds and the Soviet Union's about 59 million. Average prices per pound for shipments to the United Kingdom were 60 cents, while those to the Soviet Union were 24 cents.

Flue-cured exports to Yugoslavia, Hungary, Czechoslovakia, and Japan were below those of 1964. Exact data, however, are not available at this time.

Belgium's Output of Tobacco Products Up

Belgian output of tobacco products during 1965 totaled 63 million pounds—up 4.2 percent from the 60.4 million produced in 1964. Continued increases in production of cigarettes and cigars more than offset declines in cigarillos, smoking mixtures, snuff, and chewing tobacco.

Cigarette output, at 15.1 billion pieces, was 7.6 percent above the 14 billion produced in 1964. Cigars rose to 441 million pieces from 369 million, but cigarillos dropped to 1,049 million from 1,061 million. Combined output of other products totaled 16.1 million pounds, down slightly from the 1964 level of 16.2 million.

Leaf usings by manufacturers totaled 72.3 million pounds—up 5.7 percent from the 68.3 million used in 1964. Domestic leaf represented 7 percent of total usings, compared with 7.4 percent in 1964. Leaf used in the production of cigarettes accounted for 56.1 percent of total usings, cigars for 8.4 percent, cigarillos for 10.4 percent, and all other products for 25.1 percent.

Cigarette sales last year, at 14,059 million pieces, were up almost 10 percent from the 1964 level of 12,791 million. Sales of cigars were up 5.1 percent, but those of cigarillos were down 1.9 percent and combined sales of all other products down 3.3 percent.

Dutch Cigarette Sales Up

Cigarette sales in the Netherlands last year totaled 17,950 million pieces, compared with 14,073 million in 1964 and 16,297 million in 1963. Cigar sales dropped to 1,126 million pieces from 1,142 million in 1964. Sales of cigarillos amounted to 409 million pieces, 15 percent below the 1964 level of 479 million. Combined sales of all other products, at 24.7 million pounds, were the largest since 1950 and almost 13 percent greater than the 21.9 million sold in 1964.

Zambian Flue-cured Auctions Open

The new flue-cured auction markets in Lusaka, Zambia, opened on March 21, 1966. Total sales on opening day amounted to 166,740 pounds, and prices averaged the equivalent of 34.7 U.S. cents per pound. Demand for Zambian flue-cured tobaccos is reportedly strong, but the season's average price may only equal the 38.5-cent average received for the 1965 crop when it was sold on the Salisbury market in Southern Rhodesia.

Thai Cigarette Sales Rise

Thailand's sales of domestic-made cigarettes containing U.S. leaf tobacco rose to 10.3 billion pieces in 1965 from 9.5 billion in 1964. There was a sharp rise in sales of high-quality brands, all of which use tobacco imported from the United States.

Sales of Gold City brands (regular and king-size) increased to 1,888 million pieces from 1,164 million; those of Samit rose 16 percent to 1,193 million pieces. Falling Rain, a new mentholated, filter-tipped brand introduced in 1965, has become very popular with Thai smokers.

Canadian Leaf Tobacco Usings Up

Usings of leaf tobacco by Canadian manufacturers during 1965 totaled 138.6 million pounds—up 4.2 percent from the 1964 level of 133 million. Larger usings of flue-cured and dark (air-fire cured) kinds more than offset declines in other kinds.

Usings of flue-cured tobaccos, at 123.8 million pounds, were 5.5 percent greater than the 117.4 million pounds used in 1964. Domestic leaf rose to 122.7 million pounds from 116.6 million, and the use of imported flue-cured leaf totaled 1.1 million, compared with 800,000 in 1964. Also, usings of dark (air-fire cured) kinds were up 33 percent, whereas burley declined 10.2 percent, cigar leaf 6.7 percent, and all other kinds 18.1 percent.

Stocks of unmanufactured tobaccos (domestic and imported) on December 31, 1965, totaled 190.6 million pounds—down about 10 percent from the 212.5 million held on the same date a year earlier. Stocks of flue-cured tobaccos dropped to 170.8 million pounds from 191.2 million, and as of December 31, 1965, were equivalent to 16.6 months' requirements, compared with 19.5 months' on December 31, 1964.

Turkey Plans To Grow Burley

The Turkish Tobacco Monopoly plans to plant about 15 acres of burley tobaccos this season in the Aegean area on an experimental basis. Following these initial trials, most of these burley-type tobaccos will be grown in the area around the Sea of Marmara in northwestern Turkey.

Paraguay Processes Less Sugarcane

Only about 60 percent of the sugarcane from Paraguay's excellent 1965 crop was actually refined. With a large surplus from 1964 and no export possibilities, mills worked with only nominal enthusiasm, producing a total of 35,200 metric tons of refined sugar, compared with 48,000 tons in 1964. The Ministry of Agriculture has asked the National Development Bank for assistance in developing a program to alleviate the problem faced by growers. A new fruit cannery reportedly will help somewhat by using 3,000 tons of sugar per year.

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Rapid Rise in Australia's Cotton Output Is Decreasing Imports

Australia's output of raw cotton continued to expand rapidly during the past year as new farming areas were brought into production. The 1965-66 crop is now estimated at more than 80 percent above last year's.

As a result of this increasing domestic production, requirements for cotton imports have declined sharply during the current year, and a further decline is in prospect for 1966-67. Of total cotton imports, the United States supplied nearly two-thirds in 1964-65 and over half during August-January 1965-66.

Production outlook excellent

Based on crop conditions as of mid-March, Australia's cotton production during the 1965-66 season is estimated at 82,500 bales, or nearly 40,000 more than in 1964-65. Good to excellent growing conditions were experienced in all districts, although in the Narrabri area water supplies for irrigation were running short toward the end of the season, until additional water was released from the Keepit Dam.

Production in the Wee-Waa/Narrabri district is estimated at close to double the 1964-65 output, owing to a large increase in acreage together with significantly higher yields. Further expansion is in prospect during the coming year, provided adequate winter rains are received to replenish the irrigation water supplies stored behind the Keepit Dam.

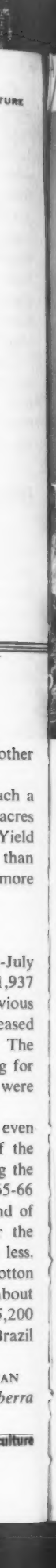
Prospective cotton yields on the Murrumbidgee Irrigation Area remain relatively low, and acreage planted this season is believed to have been slightly smaller than last year. On the Ord River Irrigation Scheme, however, new farms coming into production caused a substantial increase in output. Additional farms were allotted to settlers this year, and the 1966-67 cotton acreage is expected to show another substantial rise.

The Queensland cotton crop is also expected to reach a record level this year—the first year to show more acres planted to cotton under irrigation than on dry land. Yield prospects for dry-farmed areas are markedly better than at the same time last year, while irrigated crops are more advanced and heavier.

Import requirements decreasing

Australia's imports of raw cotton during the August-July marketing year 1964-65 totaled approximately 111,937 bales, about 4,000 less than they were during the previous year despite a sharp increase in consumption. Increased domestic production was responsible for the drop. The United States remained the largest supplier, accounting for nearly two thirds of the total; other major sources were Mexico and Brazil.

The outlook for the 1965-66 marketing year is an even greater decline in import requirements, since most of the larger 1964-65 domestic crop will be consumed during the current season. In addition, a sizable share of 1965-66 crop cotton will be available to spinners before the end of next July. Thus, it seems unlikely that imports for the 1965-66 season will exceed 55,000 bales; they may be less.

During the first half of 1965-66, imports of raw cotton totaled about 14 million pounds net, equivalent to about 29,200 bales. The United States supplied about 15,200 bales, or just over 52 percent. Mexico, Uganda, and Brazil were the next most important sources.

—Dispatch by WILLIAM L. RODMAN
U.S. Agricultural Attaché, Canberra